

## SECTION 5.20 PAY ADMINISTRATION

Last Update: 1/14

Note: An employee's pay must be at least at the minimum and not in excess of the maximum of the pay grade for the class to which assigned. [\[11 IAC 53.6\(1\)\]](#) and [\[11 IAC 53.6\(2\)\]](#).

### Pay upon Demotion [\[11 IAC 53.6\(7\)\]](#)

An employee who demotes voluntarily or is disciplinarily demoted may be paid at any pay rate in the lower pay grade that does not exceed the employee's pay at the time of demotion.

- An employee's pay may exceed the pay at the time of demotion only if:
  - 1) the employee demotes from a non-contract class to a contract-covered class; and
  - 2) the employee's pay increase eligibility date is past due; and
  - 3) the employee is not at the maximum of the pay grade of the class to which demoted.
- If all of the above apply, the employee will receive the past-due, within-grade increase at the time of demotion.

### Pay upon Promotion [\[11 IAC 53.6\(6\)\]](#)

- **Non-Contract Classes**  
If an employee is promoted to a non-contract class, the employee may be paid at any rate in the pay grade to which the employee's new class is assigned.
- **Contract Classes**  
If an employee is promoted to a contract-covered class, the employee shall receive a five percent (5%) pay increase. For promotional increases greater than five percent (5%), a [Special Pay/Appointment Action](#) form must be completed.

### Pay upon Recall [\[11 IAC 53.6\(11\)\]](#)

If an employee is recalled in accordance with [11 IAC 60.3\(6\)](#) the employee shall be paid at the same pay rate as when laid off or bumped, including any pay increases for which the employee would have been eligible if not on layoff. If recalled to a job class in a lower pay grade, the employee shall be paid at the same pay rate as when laid off or bumped, except the pay cannot exceed the maximum of the pay grade.

### Pay upon Reclassification [\[IAC 11 53.6\(9\)\]](#)

If an employee's position is reclassified, the employee shall be paid as provided for in the rules on promotion, demotion, or transfer, whichever is applicable.

### Pay upon Reinstatement [11 IAC 53.5\(1\)](#)

When an employee is reinstated in accordance with [11 IAC 57.5](#), the employee shall be paid at the minimum of the pay grade unless an advanced appointment rate is requested and approved by DAS-HRE prior to offer. Former employees who retired and applied for retirement benefits under an eligible state retirement system or program are not eligible for reinstatement unless otherwise permitted by law.

### Pay upon Return from Leave [\[11 IAC 53.6\(10\)\]](#)

If an employee returns from an authorized leave, the employee shall be paid at the same pay rate as prior to the leave, including any pay increases for which the employee would have been eligible if not on leave.

### **Pay upon Transfer** [[11 IAC 53.6\(8\)](#)]

If an employee transfers under DAS-HRE rules to the same class or different job in the same pay grade and class plan, the employee shall be paid at the employee's current pay rate. If an employee transfers to a class in the same pay grade in a different pay plan and the employee's current rate of pay exceeds the maximum of the class to which the employee is transferring, the employee shall be paid at the maximum of the pay grade for the new class.

If an employee transfers (demotes) to a class in a lower pay grade, the employee shall be paid at any rate that does not exceed the employee's pay at the time of demotion, except that the pay must be between the minimum and the maximum of the class to which demoted.

### **Within-Grade Increases** [[11 IAC 53.7](#)]

Employees in permanent positions are eligible for a within-grade increase unless the employee is being paid at the maximum pay rate for the class. Within grade increases cannot be granted retroactively unless an employee's pay is found to be in violation of the rules or a collective bargaining agreement. Seasonal and temporary employees are not eligible for within-grade increases.

For employees not covered by a collective bargaining agreement, within-grade increases:

- Are not automatic.
- Require a minimum service of one year for eligibility; however, for probationary employees and employees who receive an increase in base pay as a result of promotion, reclassification, or pay-grade change, the minimum service required is six months.
- Can be given anytime on or after the employee's pay increase eligibility date.
- Must be accompanied by a current performance rating, which includes all or a part of the 12 months prior to the increase date.
- Require that employees have a performance rating of at least "meets job expectations."
- May be for any amount up to the maximum pay rate for the employee's class.

For employees covered by a collective bargaining agreement, within-grade increases:

- Are automatic.
- Require a minimum service of one year for eligibility; however, for probationary employees and employees who receive an increase in base pay as a result of promotion, reclassification or pay-grade change, the minimum service required is six months.
- Must be given on the employee's eligibility date.
- Are given in percentage increments depending on the collective bargaining pay plan from which the employee is paid.

Note: For contract-covered employees, check the applicable bargaining agreement for terms/conditions.

### **Document Processing**

Accurate records of pay increase eligibility dates should be kept on all employees. Within-grade pay increases for employees covered by collective bargaining agreements are done automatically in the payroll system. For employees not covered by collective bargaining, supervisors must provide the agency's personnel assistant with a copy of the employee's performance evaluation. The personnel assistant will process the documents necessary to grant the pay increase.